



Commonwealth of Kentucky
Office of the Governor

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KENTUCKY

AT WORK

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Gov. Beshear releases plan for stimulus dollars in Kentucky
'Kentucky at Work' initiative to focus on today's commitments, tomorrow's investments

LOUISVILLE, Ky. (Feb. 25, 2009)—Gov. Steve Beshear today unveiled the “Kentucky at Work” initiative – the details of an estimated \$3 billion in stimulus funding from the federal government that will be invested in Kentucky over the next 28 months.

‘Kentucky At Work,’ the commonwealth’s plan to implement American Recovery and Reinvestment Act dollars signed into law last week by President Barack Obama, will provide a much-needed, one-time infusion of dollars for two primary purposes: to maintain jobs and quality of life through investments in education, health care and public safety; and to make strategic investments now to position Kentucky for the future.

“Both of these principles recognize that we cannot retreat in our commitment to vital areas like education, health care, economic development and public safety,” Gov. Beshear said. “The bipartisan, mid-year budget initiative that the General Assembly passed and I just signed into law preserves these priorities.

At the same time, building roads, bridges and water and sewer lines, as well as new energy programs and health initiatives, not only create jobs but also enhance the infrastructure that makes expanded development possible. The “Kentucky at Work” initiative helps to stimulate the economy in both the short and long term.”

Beshear, who recently returned from a weekend conference of the National Governors Association (NGA) in Washington, D.C. where he met with President Obama, Federal Reserve Chairman Ben Bernanke and U.S. Treasury Secretary Timothy Geithner, said the President’s recovery plan recognizes that states are hurting.

The NGA estimates that between 2009 and 2011, states will face shortfalls totaling \$250 billion. Kentucky cut spending over the last year by \$432 million and just reached agreement on a bipartisan plan to address an additional \$456 million hole in this fiscal year.

At a briefing today in Louisville with Mayor Jerry Abramson, Gov. Beshear presented a breakdown of major areas of funding under the 'Kentucky at Work' plan:

- **Medicaid:** Kentucky's Medicaid program will receive about \$990 million over the next two years. The program currently faces a \$232 million deficit this year, while demand for services is increasing by about 3,000 people a month due to the economy.
- **Health and welfare:** Kentucky will receive about \$272 million for areas like public housing, weatherization, child care, child support enforcement and homelessness prevention.
- **Education:** Kentucky will receive about \$924 million in stimulus money. Approximately \$535 million will be used to preserve existing commitments to K-12 and higher education, as well as to continue efforts to hold down the cost of tuition. The remaining \$389 million, administered through the Kentucky Department of Education, will go to Title 1, Head Start, technology and school lunch programs and other programs that help families in crisis.
- **General Fund:** Kentucky will receive nearly \$120 million to help address critical shortfalls in priority areas and mitigate against even deeper cuts over the next two fiscal years.
- **Job training and public safety:** The commonwealth will receive \$66 million in job training and workforce development dollars. In the area of public safety, Kentucky will receive about \$30 million to combat violence against women and to support criminal justice efforts at both the state and local levels.
- **Roads and Bridges:** Kentucky will receive \$421 million for highways and bridges. Gov. Beshear and legislative leaders have been working together on a road plan that contains projects that meet the federal government's requirement that 50 percent of those funds be obligated within 120 days. Projects must be shovel-ready.
- **Transit:** About \$50 million will be allocated for transit.
- **Water and Sewer lines:** Kentucky will receive about \$71 million for water and sewer infrastructure.
- **Community Development:** The state will be allocated some \$12 million for local community development block grants.
- **Energy Projects:** About \$63 million will be allocated to Kentucky for energy initiatives.

The governor has put together an interagency work group – led by Cabinet Secretary Larry Hayes – to help guide planning for the Kentucky at Work initiative.

Two areas not accounted for in this \$3 billion of direct investment include opportunities for states to compete for several billion in grants in the areas of health technology, education, public safety, transportation, energy research and the expansion of broad-band networks, among others.

Kentuckians will also benefit from various tax cuts, tax credits and other incentives included in the President's plan. These include those for low-income families, first-time homebuyers, incentives for the purchase of new vehicles and tuition assistance for college.

As investments are made, Gov. Beshear stressed the need for openness and accountability of the 'Kentucky at Work' plan.

"The federal government has created a Web site to track the dollars and how they are spent, and we will have something similar available here in Kentucky," Gov. Beshear said. "These are tax dollars and public deserves to know how their money is being spent."